GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:126
ANSWERED ON:24.11.2016
Modernisation of NTC Mills
Gaikwad Dr. Sunil Baliram;Kirtikar Shri Gajanan Chandrakant

Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Corporation (NTC) had earlier decided to modernize its 12 mills through Joint Venture with private sector including the historic Nanded NTC Mills;

(b) if so, the details of the mills and the progress made in the modernization process;

(c) whether the Government has received representations from public representatives to modernize and start production in various NTC mills;

(d) if so, the details thereof along with the steps taken/being taken by the Government in this regard; and

(e) the time by which the modernized NTC Mills are likely to start functioning?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO.*126 TO BE ANSWERED ON 24.11.2016.

(a) & (b): As per the Board for Industrial and Financial Reconstruction Revival Scheme − MS-08 of 2008 approved on 5th September, 2008 18 mills of National Textile Corporation were identified for revival under Joint Venture route including Nanded Textile Mills, Nanded, Maharashtra. After review, it was decided that two mills would be revived by NTC itself. Memorandums of Undertaking (MoUs) were accordingly signed with JV partners for revival of 16 mills. 5 mills of National Textile Corporation have been revived through Joint Venture route. However, the Memorandums of Undertaking (MoUs) signed with the Joint Venture partners in respect of 11 National Textile Corporation mills were terminated on 14th September, 2010 as the Joint Venture partners failed to enter into definitive agreements with National Textile Corporation within the specified time. The Joint Venture partners challenged the termination of MoU in the High Court of Delhi. The Hon'ble Court has given a status-quo order and referred the matter to arbitration. The matter is sub-judice, at present. The details of the 11 mills are given in Annexure-I.

(c) to (e): The Government has received various representations from Hon'ble Members of Parliament and other Public representatives to modernize and start production in various NTC Mills. In terms of the BIFR sanctioned scheme, NTC has spent Rs.1605 crores towards modernization and expansion of 23 mills. The details are at Annexure-II. 78 mills found unviable as per the scheme have been closed. The details are at Annexure-III. As regards the 11 Joint Venture mills which were to be revived through Joint Venture route, further action can be taken only after the decision of the Court/Arbitral Tribunal.